

## **REMARKS**

In the Final Office Action dated February 25, 2005, the Examiner rejected Claims 1-37, 39-46 and 51-56 under 35 U.S.C. § 103 as being unpatentable over Freeman, Jr. et al. in view of Dang and further in view of the Davis and Hardy article ("Davis"). Applicants disagree. Also, to further the evidence and the support the non-obviousness of the claims, Applicants submit three (3) Rule 132 Declarations herewith.

### **I. Freeman, Dang, and Davis fail to recognize problem**

As an initial matter, neither Freeman, Dang, nor Davis recognize the specific source of the problem as identified, addressed and solved by Applicants' claimed invention. The Supreme Court in the famous case of *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 (1923), has long acknowledged that recognition of a problem not previously recognized by others is part of the invention. Applicants' recognition of the source of the problem and methodology or solution to address and solve the particular problem in this case relates to gathering data on physician cost control risk or behavior, identifying those physicians at a greater risk, and behavior modification of physicians to reduce or control costs or expenses associated with such risk. Applicants submit that the recognition of this problem and the elegant solution provided by Applicants' claimed invention is an indicator of nonobviousness of the invention.

In particular, for example, Claim 1 includes the solution of controlling costs by gathering information in a computer medium on ancillary pharmacy costs for each of a plurality of physicians in a healthcare practice, identifying at least one of the physicians that is at a greater risk of not getting reimbursements by prescribing medications that are detrimental to receiving reimbursement, and modifying management behavior for those at risk of not receiving reimbursement. Also, for example, as in Claim 13 it can be applicable in an insurance network, and as in Claim 26 it can have a financial incentive to the insurance network and/or physicians. As such, Applicants clearly have provided an elegant methodology or solution to these problems. The specific recognition of the source of the problem and elegant methodology or solution are not found in the cited art— not alone or in combination.

Persons of ordinary skill in the art who endeavor to solve the problem recognized and claimed by Applicants would not seek out the cited patent documents, which both alone and in combination fail to recognize the problem solved by the Applicants' claimed methodology.

## **II. The Examiner has not set forth a proper Prima Facie case of obviousness**

Applicant respectfully submits that the Examiner has failed to establish a *prima facie* case of obviousness. To establish a *prima facie* case of obviousness, at least three basic criteria must be met. There must be some suggestion or motivation, either in the prior art references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the reference or teachings. Also, there must be a reasonable expectation of success in modifying or combining references. Finally, the prior art references, as combined, must teach or suggest all the claim elements. The teaching, motivation, or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Applicant's disclosure. *See King Instrument Corp. v. Otari Corp.*, 767 F.2d 853 (Fed. Cir. 1985). *See In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

Applicants submit that none of these patent documents (namely, Freeman, Dang, and Davis) alone or in combination teach or suggest all of the elements of the claimed invention, including the ancillary medical procedures, and there is no motivation to combine these patent documents. For example, Freeman, Jr. et al. describes a cooperative healthcare system having a bank, a provider or physician group, an insurance company, and a cooperative management service. Dang describes a computer-implemented method for profiling medical claims to assist health care managers. Clearly, there is no motivation or suggestion to combine such disparate teachings in these patent documents to somehow by improper hindsight arrive at the claimed invention, and each of these alone, and in combination, fails to teach or suggest the claimed invention. Therefore, Applicants further respectfully submit that the claimed invention is novel, non-obvious, and defines over Freeman and Dang.

Also, for example, the Freeman and Dang patents focus on administration instead of cost control like the claimed invention. When addressing a change program, for instance, the process must address: (1) what to change, (2) what to change to, and (3) how to cause or affect the change. Freeman and Dang show which cooperative entity is responsible for the costs. Dang quantifies the costs and compares them to others on an adjusted basis. The present claimed

invention can be important because in cost control it shows how to cause or affect the change. Freeman and Dang fail to offer a change process or solution. In contrast, the claimed invention offers a solution for measuring or controlling costs and cost-effectiveness of care. (See also Rule 132 Declarations of Fiscella, Fuentes, and Lewis enclosed herewith). Additionally, Davis fails to alleviate the problems with Freeman and Dang. The Davis article, for example, describes revenue and the claimed invention describes revenue and the claimed invention describes expenses. Davis, for instance, requires physicians to increase their gross billings to maximize their reimbursement. According to Davis, this behavior modification induces physicians to increase billing revenues through marketing to increase the number of patients and to increase the prescription ancillary testing services to maximize billings per patient. Davis fails to focus on measuring or controlling costs. Rather, David deals with physicians on the payroll of a specific healthcare organization and offers a change process or measurement system which assumes the physicians will only take the clinically appropriate steps to increase their measures. Increased productivity does not necessarily increase the quality of care or control costs. It will, however, increase the workload of the physician. The claimed invention employs physician behavior modification, for example, in areas of increased utilization of step therapies, greater training such as in clinical prescribing guidelines, and tools to counsel patients on the perils of starting new treatment with last-line, high cost drugs, all of which are cost control measures. (See Rule 132 Declarations of Fiscella, Fuentes, and Lewis). Accordingly, in view of the lack of motivation to combine the disparities in the cited patent documents, and overall failure to recognize the source of the problem as recognized by Applicants, Applicants respectfully submit that Claims 1-37, 39-46, and 51-56 are novel, nonobvious and patentable over the cited art.

In commenting upon the references and in order to facilitate a better understanding of the differences that are expressed in the claims, certain details of distinction between the references and the claimed invention have been mentioned, even though such differences do not appear in all of the claims. It is not intended by mentioning any such unclaimed distinctions to create any implied limitations in the claims. Not all of the distinctions between the prior art and Applicant's claimed invention have been made by Applicant. For the foregoing reasons, Applicant reserves the right to submit additional evidence showing the distinctions between Applicant's claimed invention to be nonobvious in view of the prior art.

The foregoing remarks are intended to assist the Examiner in re-examining the application and in the course of explanation may employ shortened or more specific or variant descriptions of some of the claim language. Such descriptions are not intended to limit the scope of the claims; the actual claim language should be considered in each case. Furthermore, the remarks are not to be considered to be exhaustive of the facets of the claimed invention that render it patentable, being only examples of certain advantageous features and differences that Applicant's attorney chooses to mention at this time.

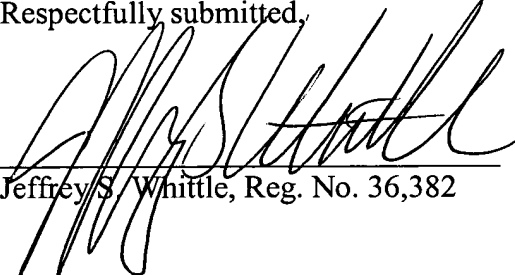
**CONCLUSION**

In view of the above remarks, and the Rule 132 Declarations submitted herewith, Applicants submit that the claimed invention is in condition for allowance. As such, the issuance of a Notice of Allowance is respectfully requested.

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Respectfully submitted,



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